

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY

IN RE: . Case No. 22-19361-MBK  
BLOCKFI INC., et al., . (Jointly Administered)  
Debtors. .  
. . November 28, 2023  
. . 10:02 a.m.

TRANSCRIPT OF MOTIONS HEARING  
BEFORE THE HONORABLE MICHAEL B. KAPLAN  
UNITED STATES BANKRUPTCY COURT CHIEF JUDGE

APPEARANCES VIA ZOOM VIDEOCONFERENCE:

For the Plan Administrator: Brown Rudnick, LLP  
By: KENNETH AULET, ESQ.  
Times Square  
New York, NY 10036  
  
Genova Burns LLC  
By: GREGORY S. KINOIAN, ESQ.  
110 Allen Road, Suite 304  
Basking Ridge, NJ 07920  
  
For the U.S. Trustee: Office of the U.S. Trustee  
By: JEFFREY M. SPONDER, ESQ.  
One Newark Center, Suite 2100  
Newark, NJ 07102  
  
Audio Operator: Kiya Martin

Proceedings recorded by electronic sound recording, transcript  
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APPEARANCES (CONT'D) :

For Flori Marquez:

Porzio Bromberg & Newman, P.C.  
By: WARREN J. MARTIN, JR., ESQ.  
100 Southgate Parkway  
Morristown, NJ 07960

Shearman & Sterling, LLP  
By: DAN GOLD, ESQ.  
2601 Olive Street, 17th Floor  
Dallas, TX 75201

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1 (Proceedings commenced at 10:02 a.m.)

2 THE COURT: Okay. Good morning, everyone. This is  
3 Judge Kaplan, and I appreciate everybody's accommodations. I'm  
4 appearing remotely, as you could tell. Hopefully, you all can  
5 hear me. Can I get a thumbs up? Good. And nods of the head.

6 We have a very limited calendar this morning with  
7 respect to BlockFi matters, and I guess let me -- I've seen the  
8 modified agenda. It looks like we just have two matters going  
9 forward. Let me hear from the plan administrator's counsel.  
10 Thank you.

11 MR. AULET: Good morning, Your Honor, Kenneth Aulet  
12 of Brown Rudnick for the plan administrator. Yes, Your Honor,  
13 we have only two matters going forward today. The first is a  
14 motion from Genova Burns to seal certain personally  
15 identifiable information of Committee members from their  
16 monthly fee statements.

17 THE COURT: All right.

18 MR. AULET: In short, I think what I'd suggest is  
19 that we hear that matter first and then I believe Ms. Marquez's  
20 counsel is on the line and can present their unopposed motion  
21 to lift the automatic stay.

22 THE COURT: That makes sense. All right. Let me  
23 hear from counsel. Is it Mr. Kinoisian or -- you need to  
24 un-mute. There you go.

25 MR. KINOIAN: Good morning, Your Honor.

1 THE COURT: Good morning.

2 MR. KINOIAN: Gregory Kinoian on behalf of the plan  
3 administrator. Gregory Kinoian of Genova Burns, local counsel  
4 to the plan administrator. Back on September 18th, 2023,  
5 Genova Burns filed their -- our monthly fee statement for the  
6 month of August 2023. That is -- appears as Docket Number  
7 1517. And included in that monthly fee statement was -- were  
8 some expense reimbursement requests on behalf of one of the  
9 Committee members identified as Committee Member Number 1.

10 The Committee expenses are -- were a separate upload.  
11 That is part of Document 1517 and appear as Document 51 --  
12 1517-4. The information that was redacted was personal  
13 information, personal identifiable information. There were  
14 occasions where we filed and so, as a result, we filed  
15 accompanying the monthly fee statement an application for  
16 authority to file the PIP information under seal. That motion  
17 was filed on the same date as on September 18th, 2023 and  
18 appears as Document 1518. That's the application that is  
19 before Your Honor right now.

20 I will advise the Court that the total expenses come  
21 out to \$7,331.63. We have in prior monthly statements  
22 requested similar -- we've had prior monthly statements of  
23 Genova Burns that have included expenses of Committee members  
24 and that likewise were accompanied by motions for authority to  
25 file personal identifiable information under seal. For

1 example, our -- previously it was our April 2023 monthly fee  
2 statement and our June 2023 monthly fee statement. The April  
3 appearing as Docket Number 1002 was accompanied by a motion for  
4 authority to file under seal, 1003 was granted as 1093.

5 The June 2023 monthly fee statement was filed as  
6 Docket 1204 which was accompanied by a motion for authority to  
7 file under seal which was Docket 1205 and was approved, granted  
8 by an order entered as Docket Number 1342. The application  
9 here, Docket Number 1518 is -- requests the same information on  
10 the same grounds.

11 There was an affidavit of service that was filed by  
12 Kroll on September 23, 2023. It appears as Docket 1590. We've  
13 received no opposition to the application for authority to file  
14 under seal and, therefore, request that it be granted.

15 THE COURT: Let me hear is there anyone else who  
16 wishes to be heard on this? Mr. Sponder, good morning.

17 MR. SPONDER: Good morning, Your Honor, this is Jeff  
18 Sponder from the Office of the United States Trustee. I was  
19 just checking my e-mails and on November 6th I had asked Mr.  
20 Clarke of Genova Burns to forward the unredacted invoices and  
21 realize that we have not received them. We don't typically --  
22 we wouldn't typically object to the motion, but would have  
23 liked to have gotten or received the unredacted invoices just  
24 to confirm what was being redacted and what was not being  
25 redacted.

1           So, I apologize for not filing an objection. I just,  
2 it dawned on me that we were corresponding and that the last  
3 thing I received from Mr. Clarke was that his paralegal was  
4 collecting the invoices, but she was on vacation until later  
5 that week. But since that time, we haven't received anything.

6           THE COURT: Maybe I should suggest this. How about I  
7 grant the motion subject to review by the U.S. Trustee of the  
8 outstanding invoices? If the U.S. Trustee has any concerns,  
9 just by a letter to chambers we can revisit the order.

10           UNIDENTIFIED ATTORNEY: That's perfectly fine, Your  
11 Honor. Thank you.

12           THE COURT: And I'll give a time period of 30 days.  
13 Does that work?

14           UNIDENTIFIED ATTORNEY: That's fine. Thank you.

15           THE COURT: All right. So, we'll mark the motion  
16 granted subject to the right of the U.S. Trustee to review and  
17 advise the Court if there are any issues.

18           UNIDENTIFIED ATTORNEY: Thank you, Your Honor.

19           THE COURT: Thank you, Mr. Kinoian. All right. Then  
20 let's move on to the motion of Flori Marquez for an order  
21 lifting the automatic stay. Do I have counsel for Ms. Marquez?

22           MR. MARTIN: You do, Your Honor. Warren Martin,  
23 Porzio Bromberg & Newman, co-counsel for Flori Marquez and with  
24 us is Dan Gold of Shearman & Sterling who has been admitted by  
25 Your Honor pro hac vice.

1 THE COURT: All right. Thank you, Mr. Martin. Good  
2 to see you and welcome, Mr. Gold. Who wishes to be heard?

3 MR. MARTIN: Your Honor, I'll proceed. I'll be very  
4 brief. This is our motion of Flori Marquez, Docket Number  
5 1849-1 for relief from the stay to the extent necessary to  
6 access insurance proceeds to make a payment to the plan  
7 administrator. There is no objection and we would ask, barring  
8 any questions from Your Honor that we're happy to address, we  
9 would ask that the order be entered.

10 THE COURT: All right. Is there anyone who wishes to  
11 be heard on this motion?

12 (No audible response)

13 THE COURT: The Court has reviewed the motion and  
14 doesn't take issue with the relief sought. So, the motion will  
15 be granted. I thank you for your time.

16 MR. MARTIN: Thank you, Your Honor.

17 THE COURT: And, Mr. Aulet, I think that covers us  
18 for the day, correct?

19 MR. AULET: Correct. There's just one sort of update  
20 I'd like to give Your Honor.

21 THE COURT: Yes, please.

22 MR. AULET: We reviewed, the plan administrator  
23 reviewed all of the convenience class elections and noticed  
24 that there was a, you know, based on the amounts they elected  
25 into the convenience class, there were a number of what seemed

1 to be obvious errors in people who elected into the convenience  
2 class. So, we have sent out notices to all of the people  
3 affected. We, you know, essentially assumed that anybody over  
4 \$5,000 probably should get a second review. There were amounts  
5 that were considerably more than that where just looking at the  
6 amount, clear mistake.

7 So, I wanted to alert Your Honor that we were doing  
8 that. Our view was that it was a plain, clerical error and  
9 that people should be given the opportunity to correct that.

10 THE COURT: No, I think that's the right approach. I  
11 appreciate the plan administrator pursuing that for the benefit  
12 of these creditors. And if there's any issue that has to be  
13 brought before the Court, we'll do so on a shortened time.

14 MR. AULET: Thank you, Your Honor. And nothing  
15 further from the plan administrator.

16 THE COURT: All right. Well, then thank you, all. I  
17 appreciate your time and we'll adjourn until our next hearing  
18 date. Thank you.

19 (Proceedings adjourned at 10:11 a.m.)

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C E R T I F I C A T I O N

I, KELLI R. PHILBURN, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter and to the best of my ability.

/s/ Kelli R. Philburn

KELLI R. PHILBURN

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